

Potential Medicaid Cuts Could Impact Long-Term Care and Family Caregivers

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NPR reports 'profound effects' on health expected if Medicaid budget cuts eliminate services for older and vulnerable Americans.

Medicaid is in the spotlight as Congress looks for ways to reduce the federal deficit under the Trump administration and DOGE requirements. Some House Republicans [have called](#) for a major budget plan to include reductions in Medicaid spending. Family caregivers and people needing long-term care could be hard-hit by cuts to the program, [NPR reports](#).

Medicaid, jointly funded by the federal and state governments, is the nation's health insurance program for low-income people. But it is also the single biggest source of money for long-term care for disabled and elderly people, paying more than half the \$415 billion spent on these services every year.

It pays for 60% of the nation's extended nursing home stays, including nearly 1 million people. About half of Medicaid spending on elders is for "home and community based" services, which help about 4.5 million chronically ill or elderly people in the United States get care at home. Medicaid pays wages to caregivers — friends, family members, or professional caregivers — who help with essential needs.

Reducing Medicaid services "would have profound effects on their health," says David Grabowski, a health economist at Harvard Medical School. "These are services they need every day to bathe themselves, dress themselves, get themselves to the kitchen." Cuts could lead to hospitalizations, emergency room visits, and in some cases early death, he said.

States could potentially raise taxes to cover the difference. But most observers think it's more likely that states will reduce payments, change eligibility requirements or cut back

on services, which means unpaid family caregivers will likely pick up the slack, Grabowski said.

States could also change eligibility rules to make it more difficult for people with middle incomes to qualify for long-term care under Medicaid. If those loopholes were eliminated, some middle-income people might pay for services themselves.

More than half of all people over 65 are expected to need long-term care at some point. Only 4% have long-term care insurance to defray that cost.

Trimming Medicaid's payments could encourage more people to buy long-term care insurance for themselves, said Michael F. Cannon, director of health policy studies at the Cato Institute, a libertarian think tank. Currently, the fact that Medicaid will pick up the long-term care cost for people who run out of money means there's little incentive to buy insurance.
